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Subject: Manufacturing Consolidation Initiative

An effort is underway to optimize manufacturing science, technology, and systems at Los Alamos National Laboratory. Manufacturing optimization will include consolidation of select manufacturing activities under the Weapons Engineering and Manufacturing (WEM) Directorate. Consolidation of these activities will enable flexible, agile, and responsive practices crucial to providing a capabilities-based approach to manufacturing to meet new and emerging requirements.

The manufacturing consolidation initiative will be conducted in two overlapping phases. One phase will incorporate manufacturing management systems into a new organization focused on product delivery. A second phase will incorporate manufacturing production functions into a new organization focused on manufacturing science and production technologies. Both phases are aimed at optimizing efficiencies and implementing best-in-class manufacturing practices critical to programmatic performance in the 21st century.

In the first phase, we will establish a manufacturing systems organization that will consolidate and centralize manufacturing capability management and the supporting infrastructure. This organization will ensure that the full spectrum of required manufacturing capabilities is developed, maintained, and exercised. It will negotiate agreements with internal customers and translate product delivery priorities and commitments into line organization activities. It will provide single-point accountability for each product to clarify customer interfaces and to drive product delivery. It also will provide an institutional infrastructure for manufacturing policies, systems, and procedures. The following elements will be the responsibility of the manufacturing systems organization:

- Product stewardship, integration, and delivery
- Internal negotiation of manufacturing commitments, priorities, and budgets
- Planning for manufacturing
- Production control, resource leveling, scheduling, and reporting
- Product engineering
- Lean manufacturing and systems engineering
- Quality assurance systems and engineering
- Integration of quality audits, assessments, and corrective actions
- Integration of production, maintenance, technology development, and equipment installation
- Manufacturing systems—configuration management, tooling engineering, software quality assurance, inventory control, procedure and records management, and training
- Integrating systems—standards and calibration, inspection, nondestructive evaluation, and control of measurement and test equipment

In the second phase, we will design and implement a manufacturing production organization that is integrated with supporting science and technologies. This manufacturing technology organization will provide focus for currently distributed manufacturing activities, including select machine shop operations, and support a capabilities-based approach to manufacturing. Benefits are expected to accrue through the integration of manufacturing technologies, adoption of modern manufacturing practices, streamlining of processes and procedures, and renewed focus on the technical essentials of manufacturing.

To this end, we have initiated discussions on options for consolidating manufacturing activities. We have tasked a committee of division leaders, led by Paul Follansbee, to examine the requirements, options, and details of consolidation, with input from relevant group leaders, and recommend a path forward. By May 15, the committee will complete an analysis of organizational options for optimizing manufacturing operations, utilizing a business case approach. The business case will provide for transparent decision-making and sound justification for the final structure of the new manufacturing technology organization.

We appreciate your support and cooperation in moving this effort ahead to establish an optimized, capabilities-based approach to manufacturing at Los Alamos. Consolidated manufacturing will create the organizational focus and "critical mass" that will enable the Laboratory to contribute to NNSA's Applied Science and Technology Roadmap, the future vision for manufacturing technology in the Nuclear Weapons Complex.

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